

A G E N D A

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

November 2, 2001

2:00 p.m.

I. CALL TO ORDER

II. APPROVAL OF MINUTES - September 20 & 21, 2001

III. CHAIR'S REPORT

IV. FEASIBILITY REPORTS COUNTY

E057 Fremont Waterworks Co. Wayne

E058 Wellsville-Mendon Cons. Dist. Cache

V. COMMITTAL OF FUNDS

E031 Morgan Secondary Water Assoc. Morgan

E050 Grantsville Irr. Co. Tooele

VI. APPROVAL OF FUNDING FOR CLOUDSEEDING PROGRAM

VII. DIRECTOR'S REPORT

VIII. OTHER ITEMS

IX. NEXT BOARD MEETING - December 14, 2001 - Salt Lake City

BRIEFING MEETING AGENDA

UTAH BOARD OF WATER RESOURCES

Department of Natural Resources
1594 W. North Temple
Salt Lake City, Utah

November 2, 2001

12:00 noon

- I. WELCOME
Chair Taylor

- II. DISCUSSION OF PROJECTS Board/Staff

- III. MODIFICATION OF GUIDELINES FOR APPLICANTS

- IV. OTHER ITEMS

BOARD OF WATER RESOURCES

Revolving Construction Fund

Funding Status

November 2, 2001

Funds Available for Projects This FY	\$	6,391,000
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Projects Contracted This FY

1 Mona Irr Co	E048	\$	326,000
2 Torrey Irr Co	E054		30,000
3 Red Creek Irr Co	E038		42,500
4 Devil's Pass Water Co	D964		327,000
5 Piute Res & Irr Co (Piute Dam)	C022	Grant **	<u>220,000</u>

Total Funds Contracted	\$	<u>946,000</u>
Funds Balance	\$	<u>5,445,000</u>

Projects with Funds Committed

1 Chalk Creek Narrows Irr Co (Amend)	E019	\$	750,000
2 Parowan West Fields Irr Co	E044		15,200
3 Green River Canal Co	E046		35,000
4 Deseret Irr Co	E056		200,000
* 5 Grantsville Irr Co	E050		288,000
6 Kays Creek Irr Co (Adams Dam) Amd	C001	Grant **	4,000
Commitments for Dam Safety Studies		**	<u>201,000</u>

Total Funds Committed	\$	<u>1,493,000</u>
Funds Balance	\$	<u>3,952,000</u>

Projects Authorized

1 Beaver Bench Irr Co	D918	\$	280,000
2 Croydon Pipeline Co	D962		35,000
3 North Canyon Irr Co	D955		315,000
4 Don Anderson	E008		170,000
5 East Bench Canal Co	E032		256,000
6 Scipio Irr Co	E049		570,000
7 Marion Waterworks Co	E053		320,000
8 Deseret Irr Co	E056		520,000
9 Herriman Pipeline & Development Co	E055		585,000
* 10 Fremont Waterworks Co	E057		<u>150,000</u>

Total Funds Authorized	\$	<u>3,201,000</u>
Remaining Funds Available	\$	<u>751,000</u>

* To be presented at Board Meeting

** Dam Safety Projects

BOARD OF WATER RESOURCES

Cities Water Loan Fund

Funding Status

November 2, 2001

Funds Available for Projects This FY	\$	1,346,000
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Projects Contracted This FY

1	\$	-
Total Bonds Closed	\$	-
Funds Balance	\$	1,346,000

Funds Committed to Projects

1 Pleasant Grove City	E003	\$	150,000
Total Funds Committed		\$	150,000
Funds Balance		\$	1,196,000

Projects Authorized

1 Hanna Water & Sewer District	D983	\$	1,146,000
2 Trenton Town	L534		1,304,000
Total Funds Authorized		\$	2,450,000
Remaining Funds Available		\$	(1,254,000)

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

**Conservation & Development Fund
Funding Status**

November 2, 2001

Funds Available for Projects This FY **\$ 10,831,000**

Projects Contracted/Bonds Closed This FY

1 Nibley City	L525	\$ 125,000	
2 River Heights City	L537	<u>839,000</u>	
Total Funds Contracted/Closed			<u>\$ 964,000</u>
Funds Balance			<u>\$ 9,867,000</u>

Funds Committed to Projects

1 Holliday Water Co	D906	\$ 500,000	
2 Alpine City (Bond Ins Grant)	E051	75,000	
3 Tooele City (Bond Ins Grant)	E052	80,000	
4 Willard City	L538	425,000	
5 Weber Basin WCD (Secondary Irr, Ph I)	E029	531,000	
6 Nordic Mountain Water, Inc. (Amend)	E007	293,000	
7 Davis & Weber Counties Cnl Co (Ph II)	E035	2,425,000	
* 8 Morgan Secondary Water Association	E031	<u>2,790,000</u>	
Total Funds Committed			<u>\$ 7,119,000</u>
Funds Balance			<u>\$ 2,748,000</u>

Projects Authorized

1 Uintah WCD (Red Wash)	D730	\$ 1,940,000	
2 Springville City (Culinary)	L522	300,000	
3 Ferron Canal & Reservoir Co	D942	2,000,000	
4 Strawberry High Line Canal Co	D976	3,187,000	
5 Price-Wellington Control Board	D999	3,925,000	
6 Kanab Irr Co	D968	62,000	
7 Center Creek Culinary Water Co	E020	450,000	
8 Ivins City	L533	440,000	
9 Bristlecone WID	E026	935,000	
10 Uintah WCD (Island Ditch)	E036	720,000	
11 Summit Water Distribution Co	D776	3,000,000	
12 Mountain Regional Water SSD	E040	1,675,000	
13 Price City	L540	3,750,000	
* 14 Wellsville-Mendon Conservation District	E058	<u>192,000</u>	
Total Funds Authorized			<u>\$ 22,576,000</u>
Remaining Funds Available			<u>\$ (19,828,000)</u>

* To be presented at Board Meeting

BOARD OF WATER RESOURCES

November 2, 2001

ADDITIONAL ACTIVE PROJECTS			Fund	Est. Board Cost	Total Cost
Authorized or Committed Projects					
1 Davis & Weber Counties Cnl Co (Ph 4)	D674	C&D		\$ 10,925,000	\$ 12,853,000
2 Carbonville Ditch Co	D887	RCF		462,000	597,000
3 Central Utah WCD (Prepay FY98,99,00)	D960	C&D		3,000,000	3,000,000
4 Washington County WCD (Ivins)	D925	C&D		1,390,000	5,100,000
5 Weber Basin WCD (Secondary Irr, Ph 2-5)	E029	C&D		28,369,000	33,375,000
6 Davis & Weber Counties Cnl Co(Cnl Rehab)	E035	C&D		18,230,000	21,447,000
Subtotal				\$ 62,376,000	\$ 76,372,000
Projects Under Investigation					
1 Downs Ditch Water Co	D899	RCF		\$ 7,500	\$ 10,000
2 Juab Lake Irr Co	D901	RCF		75,000	100,000
3 K Ranch LLC	D954	RCF		206,250	275,000
4 Hooper Irr Co (Irr Pipeline)	D995	RCF		93,750	125,000
5 Keith Johnson	D996	RCF		37,500	50,000
6 Billy Bethers Spring, Cul, & Domestic	E021	RCF		300,000	400,000
7 Fountain Green Irr Co	E042	RCF		285,000	380,000
* 8 Ephraim Irr Co	E061	RCF		2,100,000	2,800,000
* 9 Porcupine Highline Canal Co	E062	RCF		75,000	100,000
10 Summit County Service Area #3	E045	CWL		414,750	553,000
11 Woodruff Irrigating Co	D680	C&D		600,000	800,000
12 Kane County WCD	D828	C&D		1,500,000	2,000,000
13 Richfield City	D898	C&D		450,000	600,000
14 Uintah WCD (Leota Bench)	D944	C&D		750,000	1,000,000
15 Midway Irr Co (Ph 2,3)	D949	C&D		7,275,000	9,700,000
16 Springville City (Secondary Irr)	D967	C&D		13,500,000	18,000,000
17 East Carbon City (Dam)	D969	C&D		7,500,000	10,000,000
18 Silver Spurs Water Co	D990	C&D		21,000	28,000
19 Gunnison Butte Mutual Irr Co	E004	C&D		10,500,000	14,000,000
20 Town of Altamont	E012	C&D		142,500	190,000
21 Draper Irr Co	E023	C&D		4,050,000	5,400,000
22 City of South Jordan	E034	C&D		2,253,000	3,004,000
23 Payson City (Walker Flat)	E037	C&D		7,500,000	10,000,000
24 Hyrum Blacksmith Fork Irr Co	E047	C&D		2,025,000	2,700,000
25 Town of Brian Head	L541	C&D		2,700,000	3,600,000
26 Loa Town	L542	C&D		450,000	600,000
* 27 Hooper Irr Co (Press Irr)	E060	C&D		15,168,750	20,225,000
Subtotal				\$ 79,980,000	\$ 106,640,000
TOTAL				\$ 142,356,000	\$ 183,012,000

* New Applications

BOARD OF WATER RESOURCES

November 2, 2001

Long Term Large Water Conservation Projects

1 Sanpete WCD (Narrows Dam)	D377
2 Wayne County WCD	D494
3 Cedar City Valley Water Users	D584
4 Bear River WCD	D738
5 Mapleton City	D886

BOARD OF WATER RESOURCES

Feasibility Report

Revolving Construction Fund

Appl. No.: **E-057**

Received: 8/9/01

Approved: 9/21/01

To be Presented at the November 2, 2001 Board Meeting

SPONSOR: **FREMONT WATERWORKS COMPANY**

President: Dick Taylor

LOCATION: The proposed project is located in and around the community of Fremont, about four miles north of Loa in Wayne County.

EXISTING CONDITIONS & PROBLEMS: The sponsor serves culinary water to 160 residential connections in Fremont and four dairies. The water system is rated "Approved" by the Division of Drinking Water. Water is collected from a spring about five miles northeast of town and travels about a mile through transmission pipeline to a 200,000 gallon storage tank. From the tank, water is transmitted to the town distribution system in 10-inch PVC and 4-inch asbestos-cement (A-C) pipelines.

Several residences are connected to the 4-inch A-C transmission line, which is too small to provide sufficient fire flows. The pipeline distribution system in town is 4-inch and smaller A-C, too small to deliver adequate flows at acceptable pressures, and to provide required fire protection.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to improve its culinary water system by 1) installing about 8,500 feet of 8-inch PVC

transmission pipeline parallel to the existing 4-inch A-C line, and installing fire hydrants on the new pipe to serve residences northeast of town, and 2) replacing 4-inch and smaller A-C distribution pipelines with 8-inch PVC.

Engineering is being done by Jones and DeMille in Richfield.

The project fits in Prioritization Category 2 (municipal project required to meet existing or impending need).

COST ESTIMATE: The following cost estimate was prepared by the engineer and has been reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$36,000	\$ 36,000
2.	8-inch PVC Pipe	47,500 LF	9.00	427,500
3.	Highway Crossing	70 LF	175	12,250
4.	Canal & Ditch Crossings	LS	3,500	3,500
5.	Tracer Wire	47,500 LF	0.10	4,750
6.	Pressure Regulating Station	LS	15,000	15,000
7.	Gate Valve	27 EA	700	18,900
8.	Fire Hydrant	21 EA	1,900	39,900
9.	3/4" Service Connection	80 EA	180	14,400
10.	3/4" Service Line	3,600 LF	4.50	16,200
11.	Road Repair			
	a. Class A	1,600 SY	17.00	27,200
	b. Class C	2,500 SY	5.00	<u>12,500</u>
Construction Cost				\$628,100
Contingencies				62,900
Legal and Administrative				15,000
Design and Construction Engineering				<u>94,000</u>
TOTAL				\$800,000

COST SHARING
& REPAYMENT:

The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Rural Development (Grant)	\$ 375,000	47%
Rural Development (Loan)	225,000	28
Board of Water Resources	150,000	19
Sponsor	<u>50,000</u>	<u>6</u>
TOTAL	\$ 800,000	100%

If the board authorizes the project, it is suggested it be purchased at 0% interest with annual payments of \$1,000 the first 11 years, and \$2,000 to approximately \$28,000 the next 13.

FINANCIAL
FEASIBILITY:

Based on the board's water service affordability guidelines, Fremont residents could pay up to \$16.89 monthly for all water. The cost of water with the proposed project, based on 173 projected connections when the first annual payment will be due in 2003 (2.6% annual growth), is as follows:

	<u>Annual Cost</u>	<u>Cost/Conn/Mo</u>
Operation & Maintenance	\$ 14,680	\$ 7.07
Proposed BWRé Assistance	1,000	0.48
Proposed Loan		
(Rural Development - 4½%)	13,040	6.28
Irrigation Water		
Service	14,175	6.83
Existing BWRé Assistance		
(thru 2023)	<u>16,000</u>	<u>7.71</u>
TOTAL	\$ 58,895	\$ 28.37

The sponsor currently charges a monthly base rate of \$8.00 for the first 8,000 gallons, with overage charges of \$0.80 per thousand gallons. Meters are read twice a year, with the average water bill being \$19.96.

The sponsor is planning to raise the base rate to \$12.00, and also raise overage charges.

BENEFITS: The project will improve flows, pressures, and fire protection.

PROJECT SPONSOR: The Fremont Waterworks Company incorporated May 18, 1966, and is currently registered in good standing with the state Department of Commerce. It received about \$83,000 in 1967 to install the original culinary system, which assistance has been returned. Then in the mid-1990s it received about \$300,000 in construction funds to make culinary system improvements including transmission pipeline and the 200,000 gallon tank. Annual payments of \$16,000 are being made to the board for that project through 2023.

WATER RIGHTS: Water Right 95-619 for 0.75 cfs is in the name of the board.

EASEMENTS: The project will be installed primarily in existing rights-of-way; a few easements will need to be obtained.

ENVIRONMENTAL: No long-term, detrimental environmental effects are expected. There will be the usual dust and noise problems associated with construction.

WATER CONSERVATION: The sponsor has a Water Management and Conservation Plan in place. Staff recommends a progressive (conservation) overage rate schedule be implemented.

SPONSOR'S RESPONSIBILITIES: If the board authorizes the proposed project, the sponsor must do the following before construction can begin:

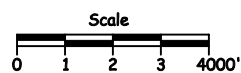
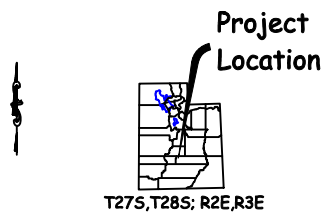
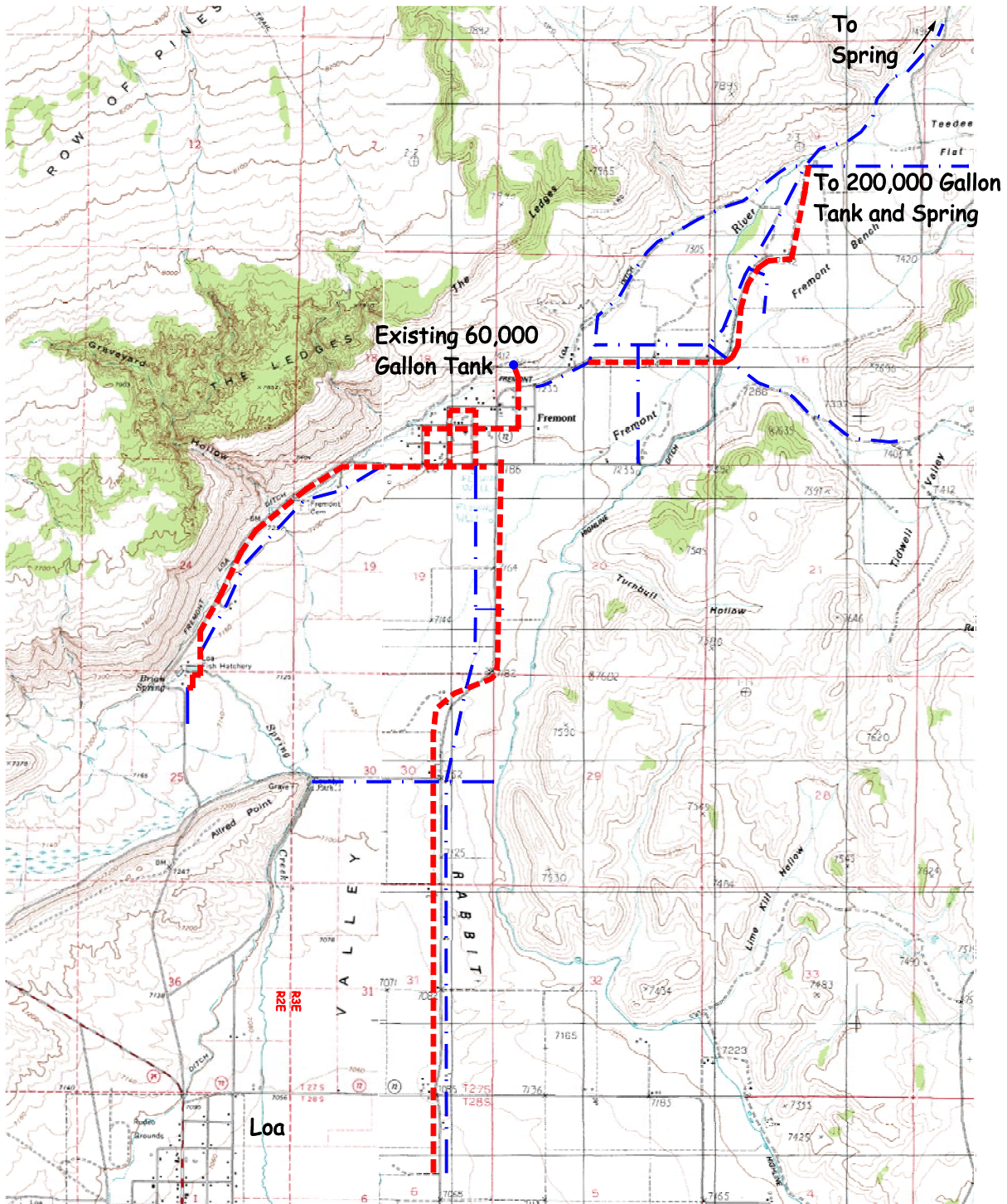
1. Obtain all easements, rights-of-way, and permits required to construct, operate, and maintain the project.
2. Pass a resolution by the appropriate (as defined in the company's Articles of Incorporation and Bylaws) majority of company stock authorizing its officers to do the following:
 - a. Assign properties and easements required for the project to the Board of Water Resources.

- b. Enter into a contract with the Board of Water Resources for construction of the project and subsequent purchase from the Board.
- 3. Have its attorney give the Board of Water Resources a written legal opinion:
 - a. That the company is legally incorporated for at least the term of the purchase contract and is in good standing with the state Department of Commerce.
 - b. That the company has legally passed the above resolution in accordance with the requirements of state law and the company's Articles of Incorporation and Bylaws.
 - c. That the company has obtained all easements, rights-of-way, and permits required for the project and that they can be legally transferred to the Board of Water Resources.
- 4. Obtain approval of final plans and specifications from the Division of Water Resources and Division of Drinking Water.

PROJECT
CONTACT
PEOPLE:

President:	Dick Taylor P.O. Box 161 13 East 100 North Fremont, UT 84747 Phone: (435) 836-2784
Secretary:	Lane Chappell P.O. Box 361 Loa, UT 84747 Phone: (435) 836-2393
Engineer:	Darin Robinson Jones & DeMille Engineering 1440 S. Pipe Lane Richfield, UT 84701 Phone: (435) 896-8266

FREMONT WATERWORKS COMPANY
Proposed Culinary Water Improvements
Wayne County



 Existing Water Line
 Proposed 8" Water Line

BOARD OF WATER RESOURCES
Feasibility Report
Conservation and Development Fund

Appl. No.: **E-058**
Received: 9/6/01
Approved: 9/21/01

To be Presented at the November 2, 2001 Board Meeting

SPONSOR: **WELLSVILLE-MENDON CONSERVATION DISTRICT**

President: Quinn Murray

LOCATION: The proposed project is located about a mile east of Wellsville City, which is about nine miles southwest of Logan in Cache County.

EXISTING CONDITIONS & PROBLEMS: The sponsor delivers about 8,000 acre-feet of wholesale and retail irrigation water from Hyrum Reservoir to approximately 4,600 agricultural acres, and 400 acres of lawns and gardens in Wellsville and Mendon cities. Both flood and pressurized systems exist, and the sponsor experiences water shortages most years.

Water is conveyed through the earthen, 90 cfs Wellsville-Mendon Canal, which serves users along a 14-mile stretch from Hyrum Reservoir to north of Mendon. A 6,100 foot-long section of the canal east of Wellsville traverses heavily graveled soils, losing an estimated 2 cfs (600 acre-feet annually). The seepage surfaces in fields and runs over a county road, causing damage.

PROPOSED PROJECT: The sponsor is requesting financial assistance from the board to install 6,100 feet of rubber liner, underlain by a protective geotextile fabric, in the problem section of canal. J-U-B Engineers will provide design and construction engineering services.

The project fits in Prioritization Category 3 (agricultural project that will provide significant economic benefit to area).

COST ESTIMATE: The following cost estimate was prepared by the engineer and reviewed by staff:

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
1.	Mobilization	LS	\$ 3,000	\$ 3,000
2.	Canal Surface Prep.	6,100 LF	10.80	65,880
3.	Sterilant	6,100 LF	0.70	4,270
4.	Geotextile	6,100 LF	2.40	14,640
5.	EPDM Liner	6,100 LF	13.90	84,790
6.	Liner Installation	6,100 LF	4.85	<u>29,585</u>
Construction Cost				\$202,165
Contingencies				19,835
Legal and Administrative				5,900
Design and Construction Engineering				<u>12,100</u>
TOTAL				\$240,000

COST SHARING & REPAYMENT: The recommended cost sharing and repayment are:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 192,000	80%
Sponsor	<u>48,000</u>	<u>20</u>
TOTAL	\$ 240,000	100%

If the board authorizes the project, it is suggested it be purchased with annual payments of \$22,000 at 3.2% interest over approximately 11 years (includes reserves).

ECONOMIC FEASIBILITY: The project is economically feasible. With an increase in canal conveyance efficiency sufficient to reduce the irrigation water shortage by 600 acre-feet, alfalfa production will increase by 0.2 tons, generating \$27,500 of increased net income. When all revenues and costs are discounted to present value at 3.9% over 15 years, the benefit/cost ratio is 1.28.

FINANCIAL FEASIBILITY: The benefits from installing the project are estimated to be primarily from increased crop yields with an annual value of \$27,500. Since the board is

proposed to fund 80% of the total project cost, it is suggested the sponsor's repayment ability be calculated as approximately 80% of the annual benefit, or \$22,000.

Since 92% of water run through the canal is used for agriculture, with the rest being used in Wellsville and Mendon cities, staff suggests an interest rate on board assistance of 3.2%, which is weighted between the board's guideline rates for agriculture and municipal projects of 3% and 5%, respectively.

BENEFITS: The proposed project will increase canal conveyance efficiency from an estimated 85% at present, up to 92½%. The result will be about 600 additional acre-feet annually available for use.

PROJECT SPONSOR: Hyrum Dam was constructed by the Bureau of Reclamation to store off-season Little Bear River flow for use as irrigation water. Construction on the dam and 18,000 acre-foot reservoir was completed in 1935 and the facility was turned over to the South Cache Water Users shortly thereafter. The Wellsville-Mendon Conservation District was organized as a member of the South Cache Water Users to deliver water to lands from the reservoir west to Wellsville, then north to and a couple miles past Mendon. The district serves 370 shareholders and two cities irrigating about 5,000 acres, and has the right to deliver about 10,700 acre-feet (1 acre-foot/share for the district's current 9,033 shares of assigned stock and 1,667 shares of unassigned stock).

WATER RIGHTS & SUPPLY: The water rights for Hyrum Reservoir, and therefore the proposed project, are in the name of the Bureau of Reclamation and cannot be assigned or subordinated to the board. The sponsor will therefore sell the board a bond.

EASEMENTS: The project will be installed in existing canal rights-of-way.

ENVIRONMENTAL: The only environmental disruption likely to occur will be that of habitat along existing canal banks.

WATER The proposed project will conserve water by raising

CONSERVATION: canal conveyance efficiency. An estimated 600 acre-feet annually will be conserved by the project, resulting in more water for irrigation.

The district will be required, as a condition of project funding, to prepare a water management and conservation plan and obtain approval of it from the division.

SPONSOR'S The sponsor will be required to make all arrangements

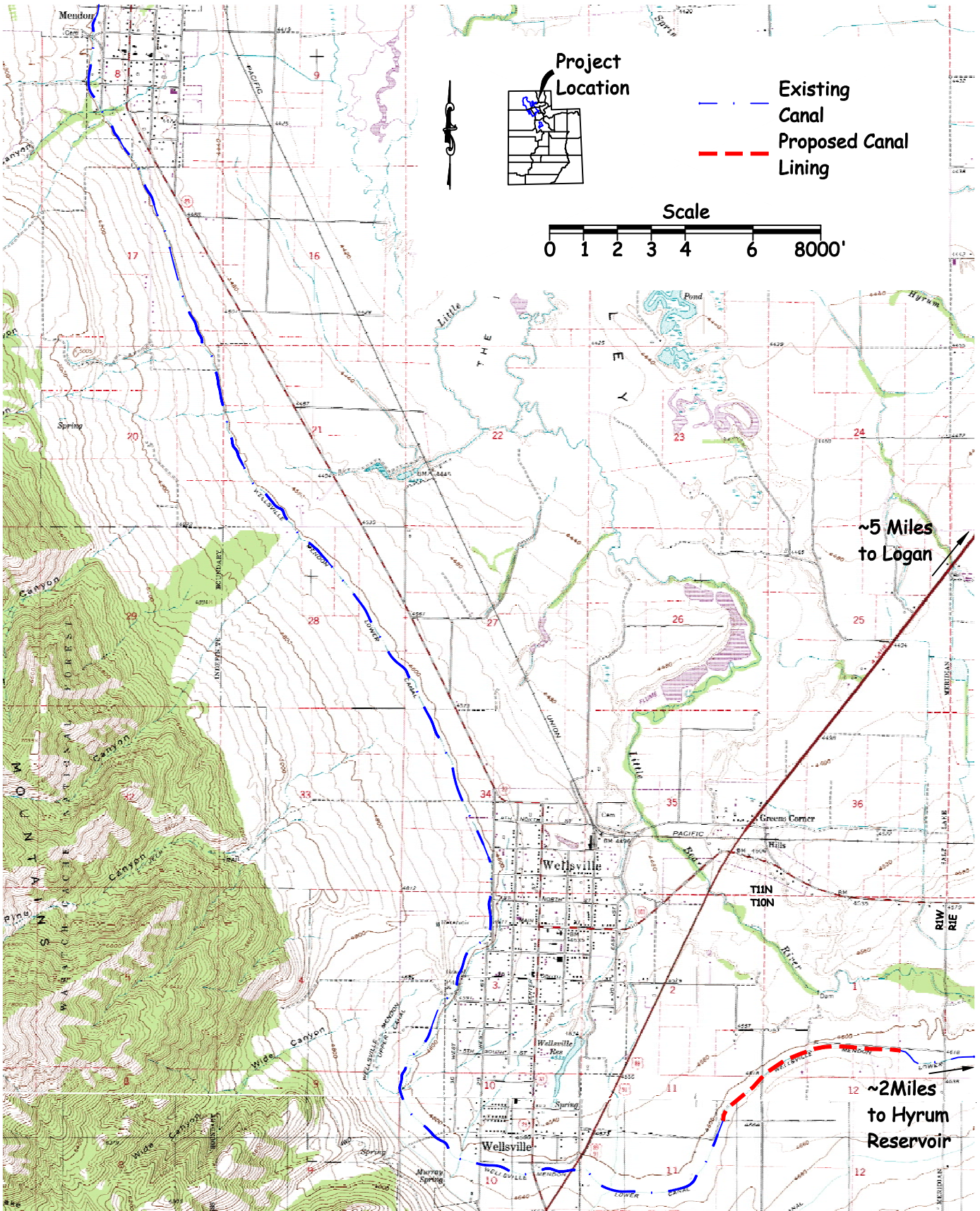
RESPONSIBILITIES: to sell the board a bond as well as verify it has adequate rights-of-way to construct the project. If the project is authorized, a list of procedures and requirements necessary to close the loan will be furnished to the sponsor.

PROJECT President: Quinn Murray
CONTACT 691 South 200 West
PEOPLE: Wellsville, UT 84339
Phone: (435) 245-3420

Secretary: Ray Bankhead
190 East 800 South
Wellsville, UT 84339
Phone: (435) 245-3795

Engineer: Zan Murray
J-U-B Engineers
40 W. Skyridge Circle,
Bldg. 3B
Logan, UT 84341
Phone: (435) 713-9514

Cache Co.



BOARD OF WATER RESOURCES

Committal of Funds

Conservation and Development Fund

Appl. No.: **E-031**
Received: 5/4/00
Approved: 6/16/00
Authorized: 9/22/00

To be Presented at the November 2, 2001 Board Meeting

SPONSOR: **MORGAN SECONDARY WATER ASSOCIATION**

President: Jan K. Turner
P.O. Box 226
Morgan, UT 84050
Phone: (801)829-6422

LOCATION: The proposed project is located throughout Morgan City in Morgan County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to construct a pressurized secondary irrigation system which will include a pump station, regulating reservoir, and about 13 miles of transmission and distribution pipeline.

PAST BOARD ACTION: Staff recommended in the feasibility report that the \$3.1 million project be cost shared 85% from the board and 15% from the sponsor, with the board assistance to be returned in 25 years at 2.5% interest with increasing annual payments based on the projected growth rate; the board's affordability guideline amount was met with these terms.

The sponsor requested 95% cost sharing. After considerable discussion with the sponsor, the board authorized the project according to staff's recommendation, but instructed staff to work with the sponsor during the time preceding committal of funds to arrive at final terms that fit both the board's desires and the sponsor's needs.

COST ESTIMATE & SHARING: The proposed cost estimate remains the same as authorized. Staff recommends the following:

<u>Agency</u>	<u>Authorized Cost Sharing</u>	<u>% of Total</u>	<u>Proposed Cost Sharing</u>	<u>% of Total</u>
BWRe	\$2,635,000	85%	\$2,790,000	90%
Sponsor	<u>465,000</u>	<u>15</u>	<u>310,000</u>	<u>10</u>
TOTAL	\$3,100,000	100%	\$3,100,000	100%

Although Morgan City supports the proposed project, the extent of its financial participation is \$40,000 it gave the sponsor last year, half of which has been spent on startup costs (sponsor incorporated last year).

PURCHASE
AGREEMENT:

If the board commits funds to the project, it is suggested it be purchased in 25 years at 2% interest with annual payments beginning at about \$119,000 and increasing to about \$180,000. The resulting cost/conn/mo of \$42.98 meets the board's affordability guideline amount.

BOARD OF WATER RESOURCES
Committal of Funds
Revolving Construction Fund

Appl. No.: **E-050**
Received: 2/21/01
Approved: 3/8/01
Authorized: 9/21/01

To be Presented at the November 2, 2001 Board Meeting

SPONSOR: **GRANTSVILLE IRRIGATION COMPANY**

President: Joe W. Peterson
49 E. Durfee
Grantsville, UT 84029
Phone: (435) 884-5568

LOCATION: The proposed project is located about two miles south of Grantsville in Tooele County.

PROJECT SUMMARY: The sponsor is requesting financial assistance from the board to replace the valving in one of the sponsor's pressurized irrigation system's regulating stations, and install about 3,800 feet of ductile iron transmission pipeline to replace problem sections of steel cylinder pipe.

COST ESTIMATE & SHARING: The proposed cost estimate and sharing remain the same as authorized:

<u>Agency</u>	<u>Cost Sharing</u>	<u>% of Total</u>
Board of Water Resources	\$ 288,000	80%
Sponsor	<u>72,000</u>	<u>20</u>
TOTAL	\$ 360,000	100%

PURCHASE AGREEMENT: If the board commits funds to the project, it is proposed the purchase agreement remain as authorized: the sponsor will purchase the project with annual payments of \$12,000 at 0% interest over approximately 25 years.

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-060**
Received: 9/11/01

SPONSOR: **HOOPER IRRIGATION COMPANY**

President: Robert W. Penman
5375 South 5500 West
Hooper, UT 84315
Phone: (801) 985-8429

LOCATION: The proposed project is located in western Weber County and the extreme northwestern portion of Davis County.

PROPOSED PROJECT: The sponsor is requesting assistance to construct a pressurized irrigation system to serve residential and agricultural water users.

WATER RIGHTS: The sponsor has rights 35-1241, 5488, and 8033 on the Weber River.

COST ESTIMATE: \$20,225,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-061**
Received: 10/2/01

SPONSOR: **EPHRAIM IRRIGATION COMPANY**

President: Doug Olsen
365 South 300 East
Ephraim, UT 84627
Phone: (435) 283-4389

LOCATION: The proposed project is located on land surrounding Ephraim City in Sanpete County.

PROPOSED PROJECT: The sponsor is requesting assistance to install a pressurized agricultural irrigation system over about 3,500 acres.

WATER RIGHTS: The sponsor has water rights described in the Cox Decree as 218.81 cfs from Ephraim Creek: 95.73 cfs for irrigation, 5 cfs for domestic and stockwatering, 25.77 acre-feet for storage, and 0.04 cfs for irrigation as successor to M. Hermansen. The sponsor also has several rights from the San Rafael drainage totaling approximately 140 cfs. The board currently holds title to all these rights as security for assistance on previous projects.

COST ESTIMATE: \$2,800,000

BOARD OF WATER RESOURCES

Application Summary

Appl. No. **E-062**
Received: 10/19/01

SPONSOR: **PORCUPINE HIGHLINE CANAL COMPANY**

President: Gary L. Clawson
375 South 800 East
Hyrum, UT 84319
Phone: (435) 245-6566

LOCATION: The proposed project is located four miles southeast of Paradise Town, which is about 11 miles south of Logan in Cache County.

PROPOSED about PROJECT: The sponsor is requesting assistance to replace 700 feet of deteriorated concrete liner in a canal on a steep incline.

WATER RIGHTS: 25-1946

COST ESTIMATE: \$100,000

BOARD OF WATER RESOURCES

Tour of Uintah Basin August 9, 2001

Board members and selected staff members drove to Roosevelt on Wednesday, August 8, and stayed at the Frontier Motel. Everyone was given an information packet with maps as they boarded the bus at the motel on Thursday about 7:30 a.m. Board member Brad Hancock welcomed everyone to his area. The bus stopped at the Roosevelt City Office Building and picked up other people for the tour.

Randy Crozier, Manager of the Duchesne County Water Conservancy District, handed out brochures to everyone and explained the project areas around Roosevelt. He said the Board of Water Resources participated in the financing of the Martin Lateral Watershed and talked about the project as the bus passed the area. He also pointed out the Cobble Hollow project in the North Bench area. He said the crop production had gone from about two tons to the acre to about six tons on the average since the sprinklers had been installed. Mr. Crozier introduced Lee Baxter from the U.S. Bureau of Reclamation and asked him to talk about the Class "C" project that was funded through the salinity control program.

The bus stopped at Big Sand Wash and everyone got off to look at the reservoir. Mr. Crozier introduced the district's consultant, Mike Mickelson from CH2M Hill, and asked him to talk about the proposed enlargement project. Larry Anderson talked about the time frame and cost sharing for the project, which is a portion of the Central Utah Project Uinta Basin Replacement Project. After leaving Big Sand Wash, the oil wells were pointed out.

Everyone got off the bus for a break at the Crossroads Center in Roosevelt. Some of the Duchesne County people left the tour when the bus left Roosevelt enroute to Vernal. Scott Ruppe, Manager of the Uintah Water Conservancy District (UWCD), asked everyone to look at the map of the Uinta River Projects in their information packet. He said the project was being funded by the Colorado River Salinity Control Forum. He pointed out the West Side Combined Canal project that combines eight individual canals into a single pressurized distribution system. The Uinta River Diversion Structure was completed in the spring and the lining of a portion of the Ouray Park Canal is under construction. He said everyone is trying to work together for a common objective. The bus stopped at a point where we could see the Cottonwood Reservoir in the distance. Director Anderson said the Cottonwood Reservoir was funded by the Ouray Park Irrigation Company and the Board of Water Resources, and Governor Matheson attended the dedication ceremony along with the Board members. The site for the proposed East Cottonwood Reservoir project was pointed out. Mr. Ruppe said the reservoir would provide additional storage of about 5500 acre-feet of water.

Mr. Ruppe talked about the Green River Pumping project, which involves pumping about 35,000 acre-feet of water out of the Green River annually. The UWCD applied to the Board of Water Resources for 8400 acre-feet of Green River water rights to be used on the Leota Bench project; they also applied for an additional 45,000 acre-feet to be used on the Green River

Pumping project. While the bus stopped by Pelican Lake, Jay Franson, consultant to the UWCD, pointed out the Duchesne River, which flows to the Green River. He talked about the Green River Pumping project and pointed out the area.

The bus turned around at Randlette, which is an Indian community. Mr. Ruppe talked about the history of the Indian tribes trust lands. On the way to Vernal, everyone watched a video of a Take-Two program with Larry Anderson and Zach Frankle regarding water. The group stopped at Niki's Restaurant for lunch.

Mr. Ruppe talked about the Ashley Valley Projects while the bus drove past the project lands. The bus stopped in front of the Ashley Valley Water Purification Plant while Mr. Ruppe described the system. He also pointed out water projects as the bus drove through the Vernal area. The bus drove by Steinaker Reservoir after stopping at the UWCD offices to drop off some of the people.

While the bus was enroute to Roosevelt, Lloyd Austin referred to an article in the information packet he had written in 1995 regarding the White River Dam. He also referred to the list of projects constructed in the Uintah Basin that were funded by the Board of Water Resources.

The tour ended about 3:00 p.m. when the bus arrived in Roosevelt.

Board of Water Resources

Tour of Uintah Basin
August 9, 2001

Tour Attendees

Board Members

Lucille Taylor
Warren Peterson
Harold and Diane Shirley
Paul Riley
Ivan and Marlene Flint
Brad Hancock

Division Staff

Larry Anderson
Dennis Strong
Lloyd Austin
Nancy Fullmer
Randy Staker
Geralee Murdock
Paul Keil
Milo Barney
Steve Wilde

Visitors

Sherm and Marsha Hoskins, Dep. Dir., DNR
Randy Crozier, DCWCD Manager
Keith Mortenson, DCWCD Chair
Lee Baxter, USBR
Russ Hilman, Rep. Chris Cannon's Office
Larry Ross, Former BWR Member
Scott Ruppe, UWCD Manager
Vern Richens, UWCD Vice Chair
John Hunting, UWCD
Jay Franson, UWCD Consultant
Don Winterton, Martin Lateral
Mike Mickelson, CH2M Hill

Unapproved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

September 20, 2001

Jordan Valley Water Conservancy District
8215 South 1300 West
West Jordan, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
September 20, 2001

The Board of Water Resources met in a briefing session on September 20, 2001 about 3:15 p.m. at the Jordan Valley Water Conservancy District in West Jordan, Utah.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Bill Marcovecchio
Ivan Flint
Brad Hancock

Not Present
Cleal Bradford
Harold Shirley
Paul Riley

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Eric Millis, Chief, River Basin Planning

VISITORS

Stephen Allred, Legislative Analyst

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She expressed her thanks to the Jordan Valley Water Conservancy District staff for letting the Board use their facilities earlier in the day and for giving the Board a tour of the Demonstration Garden.

Director Anderson welcomed Stephen Allred, the legislative analyst.

DISCUSSION OF PROJECTS

Steve Wilde said the Grantsville Irrigation Company built a reservoir and pressure irrigation system in the 1980's that has had a lot of maintenance problems, partially due to problems during the installation of the pressure irrigation system. He said Joe Peterson, the president of the company, will come to the meeting and discuss the proposed project. He also wants to talk about building another reservoir to capture more of the water. Staff has looked at the possibility of building another reservoir but thinks the water supply isn't available enough of the time to justify the cost and the company cannot afford to pay for another reservoir. Dennis Strong explained the company has done some restructuring of its water rates in order to receive more money from new residents moving in. Bill Marcovecchio said he looked at the site where they want to build the second reservoir, but he does not feel the area warrants it.

Mr. Marcovecchio said he toured the site of the Herriman Pipeline and Development Company's proposed project in southwestern Salt Lake County, and said it is a good project. Mr. Wilde said 80 percent of the project is constructing a one million gallon storage tank and the other part is making modifications to a well that had not been used since 1994. Staff thinks the company can pay the loan back in ten years with increasing repayments. Some of the Board members questioned giving the company zero percent interest financing, but staff said money was available in the Revolving Construction Fund and the company qualifies under that fund.

Mr. Wilde explained the committal of funds report for the Davis and Weber Counties Canal Company. The project is to implement the long-term canal improvement plan, which was authorized by the Board. The company has completed phase one and is now ready to begin phase two of the project, which consists of 4,000 feet of 9 x 8-foot concrete box culvert and appurtenances. Ivan Flint said he supports the project and it needs to be done if they are going to be able to deliver water. Mr. Flint said he asked staff if the company was making its payments and they are.

Warren Peterson said he would declare a conflict of interest during the discussion on the Deseret Irrigation Company's project. Mr. Wilde said the Board authorized the project at the August Board meeting and the company is now ready for committal of funds on the first phase, which will be repaid in six years with escalating repayments as previous project loans are paid off.

Mr. Wilde said several projects were being presented for withdrawal from further consideration by the Board for various reasons.

Mr. Flint said he looked at the project being constructed for the Nordic Mountain Water, Inc. He said they are doing a good job, but they had to build a temporary project first, and now they have the new project built, hooked up and ready to go. Mr. Wilde said when the Board committed funds, the sponsor requested additional funds but the exact figures were not available; the Board members told the sponsor to come back at a future meeting and request the additional funds. Chair Taylor asked why they were requesting almost \$300,000 more. Mr. Wilde said the emergency well and water hauling cost \$55,000; replacing 4,900 feet of 4-inch pipeline with new 6-inch pipeline cost \$208,000, and a number of change orders totaling \$82,000 increased the total additional costs by \$345,000.

Chair Taylor mentioned three new applications were received from Fremont Waterworks Company, Wellsville-Mendon Conservation District, and Loa Town.

The briefing meeting adjourned about 4:00 p.m.

Unapproved
MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
September 21, 2001

Auditorium
Department of Natural Resources Building
1594 West North Temple
Salt Lake City, Utah 84416

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the August 9 and 10, 2001 Board meetings were approved with suggested changes. page 1
2. The Grantsville Irrigation Company project was authorized in the amount of \$288,000 (80%) from the Revolving Construction Fund with annual payments of \$12,000 for approximately 25 years. page 2
3. The Board authorized the Herriman Pipeline and Development Company project in the amount of \$585,000 (80%) to be purchased in 10 years at 0% interest with annual payments ranging from approximately \$32,000 to \$72,000. page 3
4. Funds were committed to the Davis & Weber Counties Canal Company in the amount of \$2.425 million (85%) to be returned in 30 years at 3.6% interest with annual payments of approximately \$133,600. page 3
5. The Board committed funds to the Deseret Irrigation Company project in the amount of \$200,000 (80%) to be purchased in six years at 0% interest with escalated annual payments. page 4
6. The Roy Water Conservancy Subdistrict project was withdrawn from further consideration by the Board. page 4
7. The Holmes Creek Irrigation Co. project was withdrawn from further consideration by the Board. page 4
8. The Board amended the Nordic Mountain Water, Inc. contract and the \$1.654 million (85%) will be returned in 25 years at 3.3% interest with increasing annual payments. page 4
9. The Koosharem Town project was withdrawn from further consideration by the Board. page 5
10. The White City Water Improvement District project was withdrawn from further consideration by the Board. page 5

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, September 21, 2001 in the Auditorium of the Department of Natural Resources Building, 1594 West North Temple, Salt Lake City, Utah. Chair Lucille Taylor presided over the 8:30 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Brad Hancock
Ivan Flint
Bill Marcovecchio

Cleal Bradford, Harold Shirley and Paul Riley were absent

STAFF MEMBERS:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Eric Millis, Chief, River Basin Planning
Todd Adams, Chief, Hydrology and Computer Applications
Tom Cox, Engineer
Gina Hirst, Engineer
Russell Hadley, Engineer
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources

Joe Peterson, President, Grantsville Irrigation Co.
Richard Anderson, Vice-president, Grantsville Irrigation Co.
Ernest Matthews, Board member, Grantsville Irrigation Co.
Dick Johnson, Board member, Grantsville Irrigation Co.
Karen Johnson, Office Manager, Grantsville Irrigation Co.
Sunnie Titmus, Secretary, Grantsville Irrigation Co.
Gene Marshall, Board member, Grantsville Irrigation Co.
Lynn L. Taylor, Watermaster, Grantsville Irrigation Co.

OTHERS PRESENT CONT'D:

Lynn Egbert, President, Herriman Pipeline and Development Co.
Richard Sorenson, Director, Herriman Pipeline and Development Co.
Don Olsen, Engineer, Epic Engineering

Floyd Baham, Manager, Davis & Weber Counties Canal Co.
Lee Cammack, Project Engineer, JUB Engineers
Joe Dawson, Davis & Weber Counties Canal Co.
Glen Flint, Director, Davis & Weber Counties Canal Co.
Vernon Flint, Davis & Weber Counties Canal Co.
Ivan Ray, Director, Davis & Weber Counties Canal Co.
M. Glade Pincock, Director, Davis & Weber Counties Canal Co.
Pete Page, Director, Davis & Weber Counties Canal Co.

Marilyn Thorstensen, Secretary, Nordic Mountain Water, Inc.
Daron LeBlanc, Sunrise Engineering

MINUTES OF THE
BOARD OF WATER RESOURCES MEETING
September 21, 2001

Chair Lucille Taylor called the meeting to order and welcomed Sherm Hoskins, representing the Department of Natural Resources.

APPROVAL OF THE MINUTES

Warren Peterson made the motion, seconded by Bill Marcovecchio to approve the minutes of the August 9, and 10, 2001 meetings with suggested changes. The Board agreed.

CHAIR'S REPORT

Chair Taylor said hearing of Kathleen Clarke being a likely nominee as director of the Bureau of Land Management causes mixed feelings. Mixed because Kathleen is appreciated for her efforts as Executive Director of the Department of Natural Resources, but also congratulations are in order for achieving the possible nomination.

She said she attended a meeting with all department division board chair persons where Ms. Clarke attempted to create a policy and program center as requested by the Governor. A meeting she had scheduled for September 27 has been postponed indefinitely because of the possible nomination.

Chair Taylor asked Brad Hancock and Warren Peterson to serve on a committee to investigate the possibility of a capital improvement fund policy being created. Director Anderson suggested they meet at the Division offices.

Ms. Taylor encouraged the Board members to attend the National Water Resources Association (NWRA) meetings being held in Salt Lake City on October 30 through November 2. She also offered the Board's assistance to the NWRA.

FEASIBILITY REPORTS

#E050 Grantsville Irrigation Company

Chair Taylor introduced Joe Peterson, president; Richard Anderson, Ernest Matthews, Karen Johnson, Dick Johnson, Sunnie Titmus, Gene Marshall and Lynn Taylor. Steve Wilde reported the irrigation company is requesting financial assistance to replace the valving in one of the system's regulating stations, and install about a half-mile of ductile iron pipe to replace the 24" steel cylinder pipe which has ruptured numerous times; it seems to go back to improper handling at installation. The ruptures create irrigation downtime, water loss and high repair costs

averaging between \$8,000 and \$9,000 annually. The total estimated cost of the project is \$263,000.

Grantsville Irrigation Co. has received financial assistance in the past from the Board. The balance on the principal is currently \$8.1 million to be repaid in 2036.

Joe Peterson, president explained a different alternative solution to the problem recommended by Jim Palmer, former chief design engineer of the division. Mr. Peterson also said they had had six breaks in the last five years. He said Mr. Palmer said it was either the fault of the manufacturer or the fault of the installer. Chair Taylor stated the proposal before the Board is to replace a pipeline. Mr. Peterson said they wanted to replace 3845 feet of pipeline which would put them past the last break. He said the company was also concerned about the rest of the pipe as they don't know how strong it is. Chair Taylor said the report stated 2640 feet. Steve Wilde said the pipeline footage isn't tied down. If the company wants to go with 3800 feet it would be possible.

Bill Marcovecchio suggested because of the confusion perhaps the project should be postponed until a later date. Mr. Peterson apologized for the confusion and said he felt he ought to let the Board know what the company had been discussing. Chair Taylor asked if the company wanted the Board to act on the project as it is or postpone the whole thing until the next meeting. Mr. Peterson said it would be better to go with it as it is at 2640 feet. Mr. Marshall responded that 2640 feet doesn't get past the problem. He said if that amount is approved they would be back in the future asking for another 1000 feet. Steve Wilde again informed the Board the total cost of 3800 feet would be \$360,000.

Mr. Marcovecchio made the motion to authorize the Grantsville Irrigation Company project (3845 feet of 24" ductile iron pipe) in the amount of \$288,000 (80%) from the Revolving Construction Fund with annual payments of \$12,000 for approximately 25 years. Warren Peterson seconded the motion and it was agreed upon by the Board.

#E055 Herriman Pipeline and Development Company

Chair Taylor introduced Lynn Egbert, president; Richard Sorenson, director; Don Olsen, Epic Engineering. Gina Hirst stated the company serves culinary water to 328 connections or about 1/3 the population of Herriman through several springs and three culinary wells. Well #1 hasn't been used since construction of the 400,000 gallon tank in 1994, but until this year because of dry conditions and continued growth the company began using it. The company uses a well pump and booster pump to move 200-220 gpm up to the 400,000 gallon tank. The well pump was not designed to deliver water to elevations higher than the holding reservoir and wiring is old and outdated; makeshift hoses connecting the two pumps are being used to deliver water into the upper tank.

The company is requesting financial assistance to replace Well #1's pump, motor, and starter, and eliminate the booster pump. In order to conform with Drinking Water standards, a meter, sampling tap, flushing valve, discharge pipe, ventilation, raising of the well head, and

instrumentation system will be installed. The building floor will be raised, the roof removed and raised, and the floor footprint enlarged. The company is also requesting assistance to construct a million gallon concrete storage tank next to the existing 400,000 gallon tank to meet existing and future needs. The project is estimated to cost \$731,000.

Mr. Egbert thanked the Board for the opportunity of presenting the company's proposal. He also thanked Bill Marcovecchio and Gina Hirst for their efforts. He said Herriman is a small community and the company is trying to modernize the system more. He said when the company was organized they served the whole area, but now they only serve about 1/3. Other residents are serviced by the conservancy district.

After discussion, Bill Marcovecchio said after reviewing the layout with Gina Hirst he feels it is a good project, and made the motion to authorize the Herriman Pipeline and Development Company project in the amount of \$585,000 (80%) to be purchased in 10 years at 0% interest with annual payments ranging from approximately \$32,000 to \$72,000. Ivan Flint seconded the motion, and it was agreed upon by the Board.

COMMITTAL OF FUNDS

#E035 Davis & Weber Counties Canal Company

Chair Taylor introduced Floyd Baham, manager; Lee Cammack, project engineer; Joe Dawson, Glen Flint, Vernon Flint, Ivan Ray, Glade Pincock and Pete Page. Tom Cox reported last year approximately 2,300 feet of reinforced concrete liner was installed, along with earthwork to stabilize the adjacent hillside. The company is ready to continue the improvements this year by constructing Phase II of the project, which consists of 4,000 feet of 9x8-foot concrete box culvert and appurtenances. The project is estimated to cost \$2.853 million.

Mr. Baham expressed appreciation to the Board for their support and assistance they've provided over the years. He said Dennis Strong had informed him that if funds were committed, money probably would not be available until early spring. He said the company may have to juggle some funds so construction can begin.

Ivan Flint said this project really needs to be done and made the motion to commit funds to the Davis & Weber Counties Canal Company in the amount of \$2.425 million (85%) to be returned to the Board in 30 years at 3.6% interest with annual payments of approximately \$133,600. Warren Peterson seconded the motion and it was unanimously agreed upon by the Board.

#E-056 Deseret Irrigation Company

Tom Cox reported the company is requesting assistance to pipe approximately 12,000 feet of the South Hinckley Canal, and concrete-line about 9,500 feet of the Old Deseret Canal. This is the same as was previously authorized.

Warren Peterson said he was associated with the company and would abstain from voting. Chair Taylor informed the Board members that legal counsel had said since there was a majority of Board members in attendance it was all right to make a motion. Brad Hancock made the motion to commit funds to the Deseret Irrigation Company project in the amount of \$200,000 (80%) to be purchased in six years at 0% interest with escalated annual payments. Ivan Flint seconded the motion and it was agreed upon by the Board. Warren Peterson abstained.

SPECIAL ITEMS

#D965 Roy Water Conservancy Subdistrict

The sponsor requested financial assistance to help install pressurized lawn and garden systems into four existing subdivisions. The subdistrict has now decided it would rather fund the project on the private market in phases. Ivan Flint made the motion to withdraw the Roy Water Conservancy Subdistrict project from further consideration by the Board. Bill Marcovecchio seconded the motion and the Board agreed.

#D984 Holmes Creek Irrigation Co.

The company requested financial assistance to install a pressurized sprinkle irrigation system through much of its service area. Because the company has been unable to generate stockholder support for the project, staff recommends the application be withdrawn. Ivan Flint made the motion, seconded by Bill Marcovecchio to withdraw the Holmes Creek Irrigation Co. project from further consideration by the Board. The Board agreed unanimously.

#E007 Nordic Mountain Water, Inc.

Chair Taylor introduced Daron LeBlanc and Marilyn Thorstensen. Russ Hadley reported the Board committed funds in June 2000. At which time, the sponsor indicated their well dried up the previous year and an emergency well was installed at a cost of \$55,000. The Board stated it would not be able to commit the additional \$55,000 at that time and suggested the sponsor return for a contract amendment at a later date. The sponsor is requesting the additional \$55,000 at this time along with additional funds for a number of change orders which have increased the cost of the project. Also, they recently discovered 4,900 feet of 4-inch pipe the sponsor thought was 6-inch. This will need to be replaced with new 6-inch pipe along with valving, service laterals, and pavement restoration at a cost of \$208,000.

Marilyn Thorstensen thanked the Board for its initial approval. Ivan Flint made the motion to amend the contract for Nordic Mountain Water, Inc. and return the \$1.654 million (85%) in 25 years at 3.3% interest with increasing annual payments. Warren Peterson seconded the motion and it was agreed upon by the Board.

#L535 Koosharem Town

The town of Koosharem requested financial assistance to improve its culinary water system; the project is being funded by other agencies, therefore, staff recommends it be withdrawn.

Warren Peterson made the motion to withdraw the Koosharem Town project from further consideration by the Board. Bill Marcovecchio seconded the motion and the Board agreed.

#L539 White City Water Improvement District

The Board authorized \$2.085 million to the district to help construct a three-phased culinary water system improvement project. Subsequent to authorization, the district decided to fund the project through the private bond market. Staff recommends the project be deauthorized and withdrawn.

Bill Marcovecchio made the motion, seconded by Brad Hancock to deauthorize the White City Water Improvement District project and withdraw it from further consideration by the Board. The Board agreed unanimously.

DIRECTOR'S REPORT

Director Anderson reported to the Board about his recent trip with the seven Colorado River Basin States representatives to Mexicali, Mexico to discuss the Colorado River Delta issues. The seminar was sponsored by the U.S. Government and the Mexican Government. Mr. Anderson said after the terrorist attack on September 11 it was very difficult to concentrate; by noon of the first day about half of the people were gone. He said the majority of the Mexican government leaders talked about the need for more water; but only one person talked about wanting to put water in the Delta. The rest wanted more water for municipal, industrial and agricultural uses. The environmental community, both American and Mexican, want the U.S. and Mexico to sit down and commit to provide water for the Delta. Mr. Anderson feels the governments will agree to talk and do studies to try to learn more about the Delta. Some day they may come to an agreement to provide more water for the Delta. He said the Basin States will be holding a meeting on Columbus Day to try and come to a consensus on what their position will be.

Mr. Anderson stated he had included in the Board folder copies of two memos sent to the governor briefing him about what's happening with the Bear River development project and also the bird refuge and the enlargement of Hyrum Dam. Congressman Hansen has indicated he would include these issues in the Calfed water bill legislation which would authorize federal funding to do a feasibility investigation and environmental study of enlarging Hyrum Dam and also up to 50% federal cost sharing to do a feasibility investigation, and environmental study of the Washakee Dam site.

Director Anderson asked the Board members if they were interested in attending the National Water Resources Association (NWRA) annual conference scheduled for October 30-November 2 in Salt Lake City this year. The division will register all who are interested in attending. The conference ends about noon on November 2. The next Board meeting is scheduled for November 2 and could start about 2 p.m.

Meeting adjourned at 10:35 a.m.

Approved
MINUTES

BOARD OF WATER RESOURCES
BRIEFING MEETING

August 9, 2001

Crossroads Center
50 East 200 South
Roosevelt, Utah

BOARD OF WATER RESOURCES

Briefing Meeting
August 9, 2001

The Board of Water Resources met in a Briefing Session on August 9, 2001 at 3:30 p.m. at the Crossroads Center in Roosevelt, Utah.

The following people were in attendance:

BOARD MEMBERS

Lucille Taylor
Warren Peterson
Paul Riley
Harold Shirley
Bill Marcovecchio
Ivan Flint
Brad Hancock

Not Present
Cleal Bradford

STAFF MEMBERS

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Assistant Director
Steve Wilde, Chief, Investigations
Nancy Fullmer, Administrative Secretary
Milo Barney, CUP Liaison
Paul Keil, Water Resources Planner

VISITORS

Sherm Hoskins, Deputy Director, Department of Natural Resources

Chair Lucille Taylor called the briefing meeting to order and welcomed everyone. She expressed her thanks to everyone who was involved with the tour earlier in the day. Larry Anderson thanked Paul Keil and Lloyd Austin for compiling the informative tour brochure.

DISCUSSION OF PROJECTS

Steve Wilde explained the request from Marion Waterworks Company was tabled at the last meeting. Board member Ivan Flint and staff met with the company to gather more information. Staff revised the financial feasibility portion of the feasibility report to include the company's improvement fund that is used for making repairs to the water system on a pay-as-they-go basis. Director Anderson expressed his concerns about not knowing if the company raises its water rates and maintains the improvement fund. Ivan Flint said he told the company they need to be honest with the Board.

Warren Peterson said he thinks each community should have a repair and replacement fund. He suggested the Board should encourage sponsors to adopt a policy to maintain some type of improvement fund.

Mr. Peterson said he would declare a conflict of interest on the Deseret Irrigation Company project. He explained the company's water system and its proposed project and pointed out the area on the map. He said it would be completed in about six phases. Steve Wilde said the company is currently paying \$82,000 annually to the Board for previous projects and requested that same amount for the proposed project. Staff suggested an annual repayment of \$87,000.

The Board and staff had considerable discussion about the Chalk Creek Narrows Irrigation Company project and the fact they are asking 100 percent funding from the Board for the additional costs of the project. The sponsor also requested extending the number of years. Staff said historically the Board has not allowed over 25 years to repay loans from the Revolving Construction Fund at zero percent interest.

Steve Wilde said the Price City project was presented at the June Board meeting, and the Board tabled the project because the city requested a better deal. Mr. Wilde reviewed the proposed project, and said the cost-sharing portion of the report was changed. Board member Cleal Bradford felt the city should receive a loan in the amount of \$3,750,000 at 1.5% interest from the Board rather than an interest buydown arrangement. The city would like a longer repayment period. Mr. Wilde said Price City also requested funding from the Community Impact Board, and Mr. Bradford attended the meeting and will report on the action at the Board meeting.

OTHER ITEMS

Director Anderson said staff has made arrangements for the Board to tour the Jordan Valley Water Conservancy District gardens on Thursday, September 20, and hold the briefing meeting in the district's conference room that afternoon. He suggested the Board members could meet earlier that day and hold a retreat to discuss policies and guidelines and other items of interest to the Board. The Board meeting will be held on Friday at 8:30 a.m. at the Department of Natural Resources Building. The Board members indicated they would like to hold a retreat. Chair Taylor suggested talking about the drought and how the Board can be proactive. Director Anderson said staff would send the comprehensive handbooks prior to the retreat.

Mr. Anderson said the Governor's office is planning to hold a public relations event on Saturday to talk about the drought and water conservation. Director Anderson talked about a water supply committee meeting he held in July. Saving water for next year should be a top priority.

Chair Taylor mentioned a breakfast meeting she and Larry Anderson attended at the Governor's mansion with other chairs and directors from each of the divisions within the Department of Natural Resources. The Governor asked each of them to tell him their top priorities. Ms. Taylor said water conservation, not having enough water or enough money.

The briefing meeting adjourned about 5:00 p.m.

Approved
MINUTES
BOARD OF WATER RESOURCES MEETING
August 10, 2001

Crossroads Center
50 East 200 South
Roosevelt, Utah

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SUMMARY OF BOARD ACTIONS

1. The Minutes of the June 7, and 8, 2001 Board meetings were approved as prepared. page 1
2. The Board authorized the Marion Waterworks Company project in the amount of \$320,000 (80%) to be purchased with annual payments of \$15,000 at 0% interest over approximately 22 years. page 1
3. The Deseret Irrigation Company project was authorized in the amount of \$720,000 (80%) to be repaid in 12 years at 0% interest with escalated annual payments. page 2
4. The Charleston Water Conservancy District project was withdrawn from further consideration by the Board. page 3
5. The contract for the Chalk Creek Narrows Irrigation Company project was amended and additional funds were committed to the project. The \$750,000 (38.5%) is to be returned in 25 years at 0% interest with annual payments of approximately \$30,000. page 3
6. The Board authorized the Price City project in the amount of \$3.75 million (38%) to be repaid in equal payments over a 25-year period at 1.5% interest. page 4

THOSE PRESENT

The Utah BOARD OF WATER RESOURCES met in regular session on Friday, August 10, 2001 at the Crossroads Center, 50 East 200 South, Roosevelt, Utah. Chair Lucille Taylor presided over the 10:00 a.m. meeting.

BOARD MEMBERS PRESENT:

Lucille Taylor
Warren Peterson
Cleal Bradford
Harold Shirley
Brad Hancock
Ivan Flint
Bill Marcovecchio
Paul Riley

STAFF MEMBERS PRESENT:

D. Larry Anderson, Director
Dennis Strong, Deputy Director
Lloyd Austin, Asst. Director
Nancy Fullmer, Administrative Secretary
Randy Staker, Accountant
Steve Wilde, Chief, Investigations
Geralee Murdock, Executive Secretary

OTHERS PRESENT:

Sherm Hoskins, Deputy Director, Department of Natural Resources

Marve Mitchell, President, Marion Waterworks Company

Jerry Skeem, President, Deseret Irrigation Co.
Dean Anderson, Secretary, Deseret Irrigation Co.

David Wright, President, Chalk Creek Narrows Irrigation Co.
Doug Moore, Board Member, Chalk Creek Narrows Irrigation Co.

Stephen Denison, City Council, Price City
Gary Sonntag, City Engineer, Price Municipal Corporation
Pat Larsen, Finance Director, Price City
Ben Grimes, Price City

MINUTES
BOARD OF WATER RESOURCES MEETING
August 10, 2001

Chair Taylor welcomed everyone to the meeting.

APPROVAL OF MINUTES

Warren Peterson made the motion, seconded by Paul Riley to approve the minutes of the June 8, 2001 meetings as prepared. The Board agreed unanimously.

CHAIR'S REPORT

Chair Taylor reported on a meeting she attended with Director Anderson, other division directors and the Governor. The Governor is trying to initiate a cooperative effort among the various divisions of the Department of Natural Resources. All the chairs and all the directors explained the problems they were facing in their respective areas. Vice-chair Warren Peterson said in honor of the two new board members (Brad Hancock and Ivan Flint) he wanted to share a tidbit his sister-in-law sent him by e-mail, "Everybody looks normal until you get to know them."

FEASIBILITY REPORTS

#E053 Marion Waterworks Company

Chair Taylor introduced Marve Mitchell. Steve Wilde reported the company is requesting technical and financial assistance to construct a 300,000 gallon concrete storage tank and tie it into the culinary system, add chlorination facilities, upsize the small pipe portion of the distribution system, and add fire hydrants. Division staff will provide design and construction engineering services. The project is estimated to cost \$400,000.

In the June board meeting the project was tabled as the company didn't feel the proposed repayment terms suggested by staff would be acceptable to its users. Board member, Ivan Flint had the disadvantage of not really being up to speed on the project. Since that time staff, Mr. Flint, Mr. Mitchell, Mr. Powell, secretary; and their system operator met and staff obtained more detailed company operating expense data which has resulted in some adjustments to the cost sharing and repayment section of the report in the board folder. In the June 8 Board report staff, was unaware of the company's "Improvement Fund", which they intend to keep as an on-going cost. This has been included in the current board report.

Ivan Flint said he had become a lot more familiar with this project since the last Board meeting and made the motion to authorize the Marion Waterworks Company project in the amount of \$320,000 (80%) to be purchased with annual payments of \$15,000 at 0% interest over approximately 22 years. Cleal Bradford seconded the motion and the Board agreed.

Director Anderson asked to be excused as he was called to return to Salt Lake City to prepare for a meeting with the Governor on Saturday. Warren Peterson asked Director Anderson to comment about the draft legislation for Hyrum Dam. Mr. Anderson replied the water users in the Bear Lake area did approach Congressman Hansen who is looking at helping the bird refuge with legislation to raise Hyrum Dam. After a meeting with the water users and Congressman Hansen, the legislation was modified to also authorize a feasibility investigation of a proposed Washakie Dam site. The legislation will be a rider to a large water bill being put together back in Washington D.C.

#E056 Deseret Irrigation Company

Lucille Taylor introduced Jerry Skeem, president; and Dean Anderson, secretary. Warren Peterson informed the Board he had a conflict of interest and would not be participating in the discussion of the project.

Steve Wilde reported the company supplies water to about 22,000 acres of flood irrigated farmland south and west of Delta through a system of canals and ditches about 60 miles long. Through the years the company has lined a number of its canals with concrete and plastic to decrease seepage and increase system efficiency and ease of operation. The company is therefore, requesting financial assistance to line about 9,500 feet of the Old Deseret Canal with concrete, and replace approximately 12,000 feet of the South Hinckley Canal with 36-inch pipeline. The company is anticipating the entire project will be broken into phases and will take four to six years to complete. Staff is suggesting funds for each phase be committed separately. The NRCS in Richfield will be providing technical assistance. The project is estimated to cost \$900,000.

Deseret has received financial assistance from the Board, both individually and jointly with other companies, several times in the past for various projects, and is currently making annual payments totaling about \$82,000 for five different projects.

Board member Hancock asked about the aluminized steel pipe. Mr. Skeem said since the feasibility report was prepared the company has decided to construct the system with 36" black plastic pipe; it can hold more water and get more water down the pipe for the same price. Harold Shirley made the motion to authorize the Deseret Irrigation Company project for \$720,000 (80%) to be repaid in 12 years at 0% interest with escalated annual payments. Bill Marcovecchio seconded the motion and the Board agreed. Warren Peterson abstained from voting.

SPECIAL ITEMS

#D974 Charleston Water Conservancy District

The Board had previously authorized \$1.093 million to help improve the district's culinary water system. Subsequent to authorization, the district obtained a grant from the Salt Lake Olympic Committee to build a 500,000 gallon tank and a grant from the Environmental

Protection Agency to make improvements to the district's sanitary sewer system. Because the district is not planning to make further culinary system improvements, staff recommends the district's application be removed.

Warren Peterson made the motion to withdraw the Charleston Water Conservancy District project from further consideration by the Board. Ivan Flint seconded the motion and the Board agreed.

#E019 Chalk Creek Narrows Irrigation Company

Chair Taylor introduced Doug Moore and David Wright. Steve Wilde reported the company is preparing to combine the systems of several ditch companies under one gravity pressurized, piped system that will serve 900 agricultural acres. The combined system will also carry water to Coalville City's pressurized secondary irrigation system which is currently under construction and being funded by the Board.

After the Board committed funds last August, the project design was revised and pipe sizes and footages adjusted; when construction bids were opened they were significantly higher than anticipated. The company is requesting an additional \$254,000 from the Board.

Mr. Moore said when the lowest bid came in it was \$500,000 short. The company decided to make a few changes and put a lot more sweat equity towards the project so they wouldn't have to borrow quite as much money. Mr. Wright said the project is important to the success of the Coalville City project; it is unprecedented that the seven different ditch companies would work together.

Ivan Flint made the motion to amend the Chalk Creek Narrows Irrigation Company contract and commit additional funds to the project. The \$750,000 (38.5%) is to be returned in 25 years at 0% interest with annual payments of approximately \$30,000. Paul Riley seconded the motion, and after considerable discussion the Board agreed.

FEASIBILITY REPORT

#L540 Price City

Chair Taylor introduced Stephen Denison, Gary Sonntag, Pat Larsen and Ben Grimes. Steve Wilde reported Price City was at the June Board meeting and after considerable discussion the Board tabled the project until the August meeting.

Price City is requesting financial assistance to replace the 12 and 16-inch transmission pipeline from the treatment plant to the distribution network in town with a 20-inch high pressure pipeline. The estimated cost of the project is \$10 million. Hansen, Allen and Luce is providing technical assistance.

Mr. Wilde stated the Drinking Water Board loan of \$2.475 million and grant of \$275,000 remains the same. The city's \$1 million portion also remains the same. The Community Impact Board met on Thursday and a \$2.5 million loan was authorized at 2.5% on half of the money and 0% on half of the money.

In June, staff recommended the Board participate in an interest-rate buydown arrangement with the city, however the city said it wanted a greater loan participation with the Board and the project was tabled. Staff is now recommending the Board not participate in an interest-rate buydown and suggesting the Board participate in a \$3.75 million loan to be repaid in 25 years at 1.5% interest with escalating repayments including reserves.

Lucille Taylor asked what "including reserves" referred to. Steve Wilde said whenever the Board is purchasing a bond from a water user group entity the bond attorneys require the borrower establish a fund equal to one annual payment. The Board will normally give the water group between 6-10 years to establish it. When the recommendation says "includes reserves" the payment shown includes the amount of money that has to be built in is equal to one annual payment.

Mr. Denison said he visited with Gina Hirst on the telephone on Thursday about the payment range of \$100,000 to \$500,000. The city would prefer a straight amortization which would be around \$180,000 annually rather than have a half million dollar payment at some point. Steve Wilde said that wouldn't include reserves. Mr. Denison said the city would perhaps pay the reserve amount upfront. Staff said the details could be worked out at the time of committal of funds.

Board member Cleal Bradford complimented the city on the effort they had made on the project. They trimmed a \$15 million project down to \$10 million based on the fact it is needed. Mr. Bradford made the motion to authorize the Price City project in the amount of \$3.75 million (38%) to be repaid in equal payments over a 25-year period at 1.5% interest. Bill Marcovecchio seconded the motion. After discussion, the Board agreed unanimously.

DIRECTOR'S REPORT

Deputy Director, Dennis Strong recommended the Board review the Drought Review and Reporting Committee information. He also told the Board he'd be glad to answer any questions they had on the dredging at Bear Lake or any other issues.

NEXT BOARD MEETING

Chair Taylor informed the Board the next Board meeting will be Friday, September 21 at 8:30 a.m. in the Department of Natural Resources auditorium. On Thursday, September 20, the Board will have a retreat in the morning at the Jordan Valley Water Conservancy District offices with a briefing meeting in the afternoon.

Meeting adjourned at 9:50 a.m.